

# Workforce News



A quarterly publication of the Department of Workforce Services: issued March 2010

**Mountainland: Summit, Utah, Wasatch**

**jobs.utah.gov**



## Recessionary Impact in 2009

In this “great recession,” the United States and Utah have suffered the most severe job losses since the end of WWII. The effects of these difficult economic conditions have been felt across most industries in Utah with significant employment declines, reduced work hours, and lower household incomes.

The robust economic expansion of 2005 and 2006 gradually slowed during 2007 and through the first half of 2008 in Utah County. Year-over job losses began in May 2008, peaking in June 2009 at an unprecedented rate of 6.0 percent. There were about 11,100 fewer jobs in June 2009 than recorded the previous year.

The 2008/2009 economic contraction has been acutely felt in the Mountainland counties of Summit, Utah, and Wasatch. The labor market has been characterized by increasing unemployment and year-over nonfarm job losses, as the economy has contracted across the majority of major industrial sectors.

The level of unemployment has increased from a very low annual average rate of 2.5 percent in 2007 to average 5.3 percent in 2009. By December of 2009 the seasonally adjusted unemployment rate had increased to 6.3 percent in Utah County. There were an estimated 13,693 residents unemployed in December 2009 compared to average 5,672 in 2007.

### Utah County

Overall in 2009, the average annual number of payroll jobs decreased by 8,284 to 176,559, declining by 4.5 percent. In 2008, the average number of jobs was 184,844 or 1,202 lower than in the previous year.

### Summit County

In 2009, the average annual number of payroll jobs decreased by 1,808 to 20,880, declining by 8.0 percent.

*(continued)*

### Inside:

- **Summit:** Taxable sales for the third quarter of 2009 declined by 10 percent compared to the same quarter in 2008.
- **Utah:** New claims for unemployment insurance benefits are still at elevated levels, signaling more job losses.
- **Wasatch:** The labor market deteriorated on a year-over basis during the third quarter, with jobs declining by 11.3 percent.



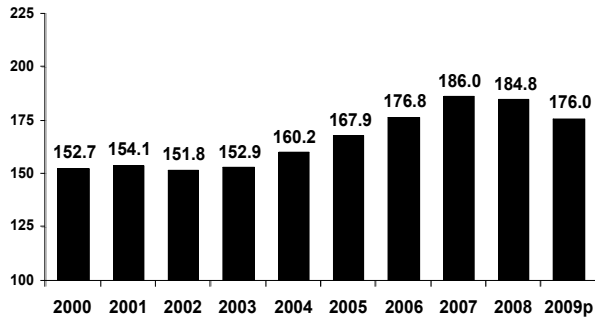
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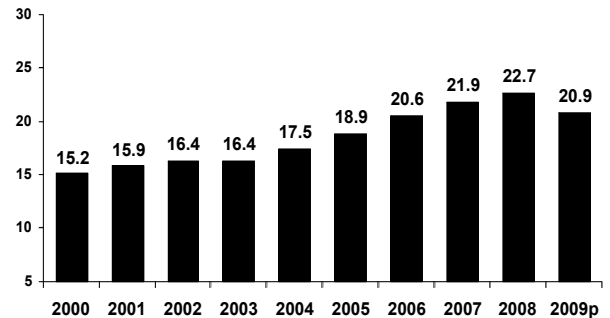
## Recessionary Impact (continued)

**Utah County Nonfarm Jobs: 2000 to 2009**  
(jobs in thousands)



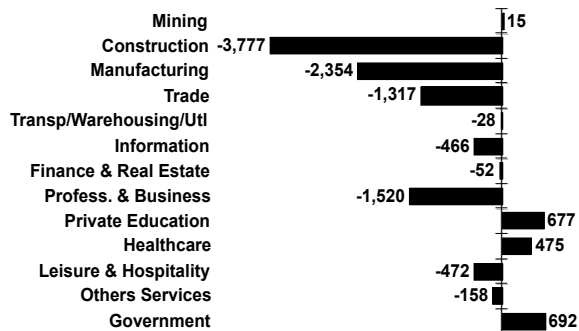
p-preliminary estimate  
Source: Utah Department of Workforce Services

**Summit County Nonfarm Jobs: 2000 to 2009**  
(jobs in thousands)



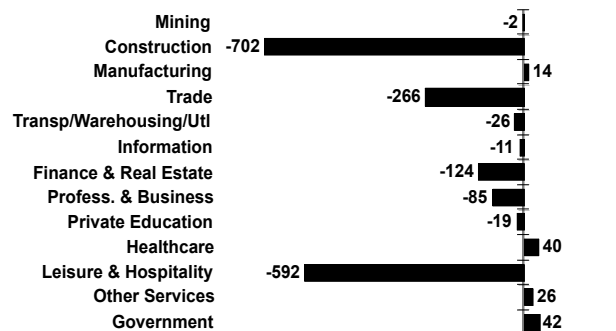
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**Utah County Nonfarm Job Changes**  
**2008 to 2009p**



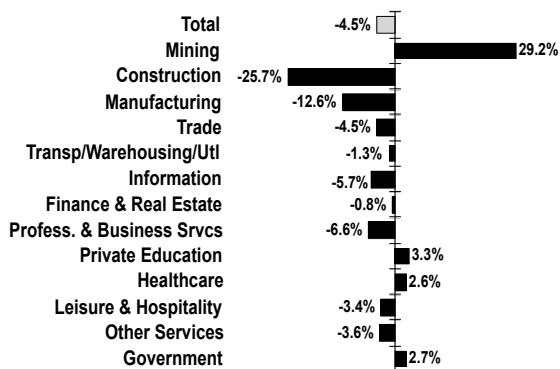
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**Summit County Nonfarm Job Changes**  
**2008 to 2009p**



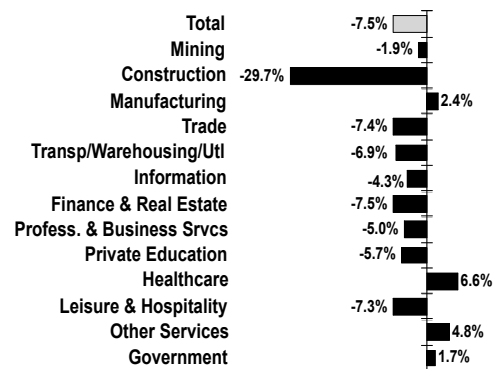
p-preliminary estimate  
Source: Utah Department of Workforce Services

**Utah County Nonfarm Job Growth**  
**Percent Change - 2008 to 2009**



Source: Utah Dept. of Workforce Services

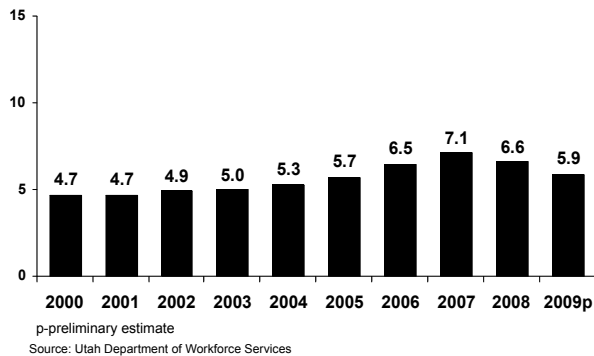
**Summit County Nonfarm Job Growth**  
**Percent Change - 2008 to 2009**



Source: Utah Dept. of Workforce Services

# Recessionary Impact (continued)

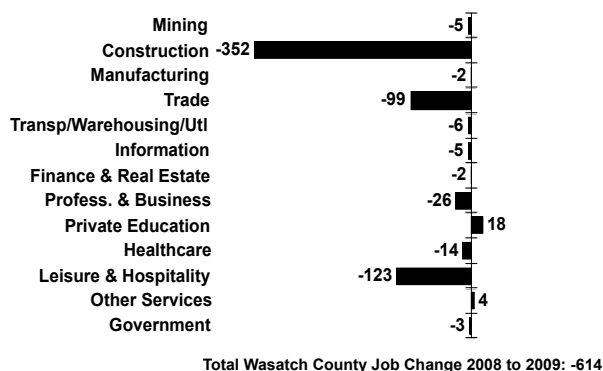
**Wasatch County Nonfarm Jobs: 2000 to 2009**  
(jobs in thousands)



In 2008, the average number of jobs was 22,688 or 791 higher than in the previous year. Year-over job losses did not begin until November 2008, peaking in June 2009 at -11.1 percent. There were about 2,322 fewer jobs in June 2009 than in June 2008.

The level of unemployment has increased from an annual average rate of 2.6 percent in 2007 to average 5.6 percent in 2009. By October of 2009, the seasonally adjusted unemployment rate had increased to 6.7 percent in Summit County. There were an estimated 1,474 residents unemployed in December 2009 compared to an average 568 in 2007.

**Wasatch County Nonfarm Job Changes**  
2008 to 2009p

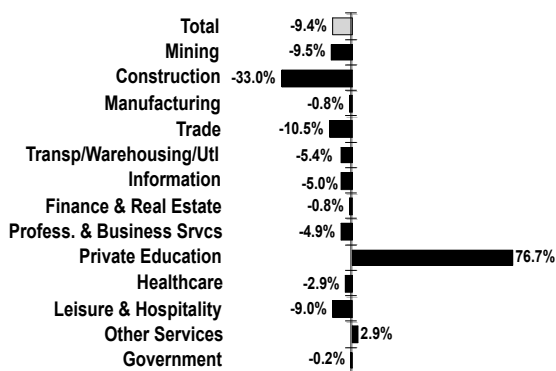


## Wasatch County

In 2009, the average annual number of payroll jobs decreased by 626 to 5,935, declining by 9.5 percent. In 2008, the average number of jobs was 6,562 or 543 lower than in the previous year. It should be noted that over 400 of the 2008 job losses are due to an error. A relatively large retail trade employer was erroneously geo-coded to Wasatch County the year before and moved to the correct county in 2008.

Year-over job losses in Wasatch County peaked in July 2009 at 12.5 percent. There were about 809 fewer jobs in July 2009 than in July 2008.

**Wasatch County Nonfarm Job Growth**  
Percent Change - 2008 to 2009



The level of unemployment has increased from an annual average rate of 2.7 percent in 2007 to average 6.4 percent in 2009. By December of 2009, the seasonally adjusted unemployment rate had increased to 7.4 percent in Wasatch County. There were an estimated 774 residents unemployed in December 2009 compared to an average 286 in 2007.

(continued)

## Recessionary Impact (continued)

The bursting of the national and local housing bubbles, and a resulting financial collapse in the fall of 2008, have driven the current recession in the Mountainland Region. The construction industry has lost about 40 percent of its jobs from its peak as a result of this recession. Industries related to home construction—real estate, finance, manufacturing of construction materials, sales of building material and furnishings—all saw their business deteriorate along with the home construction collapse. With the national financial meltdown, most industries have reduced jobs since the fourth quarter of 2008 through the summer of 2009. The industrial sectors managing to show some job growth are healthcare, education, and government.

Hopefully, the economy is moving now to a new period of growth. The effects of this recession on wages, employment, and household incomes will be felt over an extended period of time. The worry for 2010 is that any economic expansion will be anemic; leaving the labor market stressed with relatively small job increases. **WFN**

### For more info:

Get detailed county-level data and historical county data at:

**<http://jobs.utah.gov/countyinfo>**

When there, select which county you want to view, then find the *Demographic and Economic Profile* under Publications in the right-hand column.

## What's Up?

"The Idaho-based **WinCo** is opening supermarkets in Orem and Ogden in April, and a store in Roy in the midsummer. The discount retailer will be hiring 600 employees shortly before the new stores open, said Mike Reed, WinCo's vice president of public and legal affairs. Management teams will be transferred to the new stores, but each supermarket will be hiring around 200 local employees. WinCo broke into the Utah market in October, opening stores in Midvale and West Valley City."

—*The Salt Lake Tribune*

"Hundreds of local contractors, subcontractors, and small-business representatives filed through the downtown headquarters of Big-D Construction for a Small Business Outreach Open House to learn about opportunities for involvement in a scheduled 600-day project. The U.S. Army Corps of Engineers and National Security Agency have commissioned the construction of a **data center at Camp Williams**. The million-square-foot facility will include 100,000 square feet of critical data center space, plus 900,000 square feet of technical support and administrative space. Completing the project will require hundreds of highly skilled people in various disciplines, Rob Moore, Big-D's president and chief operating officer, told the *Deseret News*."

—*Deseret News*

"**Kiddie Kandids** studios photo lab in Henefer closed, leaving about 40 people in the North Summit area out of work. According to a statement posted on the company's Web site, Sandy-based Kiddie Kandids ceased operations as a result of an abrupt and unforeseen loss of funding from its banks. There were about 180 stores across the country, along with our lab in Henefer and the corporate office in Sandy, said Henefer resident Shelly Olsen, who was director of the lab. Most troubling for many of the laid-off employees was losing their health plans. Henefer Mayor Randy Ovard said the lab closure has left some families in the rural hamlet devastated."

—*Park Record*

# County News

County level economic indicators, from third quarter 2009, are now providing the clearer picture of the depths of the current recession. The economy seems to have bottomed out in the second half of 2009, yet there are some signs that economic difficulties are continuing into 2010.

## Utah County

Utah County had 10,212 fewer jobs in September 2009 than recorded twelve months earlier, a year-over decline of 5.4 percent. The hardest hit industries, as measured by job losses in the twelve months ending in September, continue to be construction, manufacturing, trade, and administrative support. Most other industries suffered year-over declines in employment as well. The industry sectors that had job gains were local government, healthcare, and private education.

The estimated number of unemployed in the county, increased throughout the year reaching a seasonally adjusted unemployment rate of 6.3 percent in December 2009. Unfortunately, new claims for unemployment insurance benefits ended the year at elevated levels signal job losses will likely propel the unemployment rate higher in 2010.

On the bright side, taxable sales data for the third quarter of 2009 increased by 3 percent compared to the same quarter in 2008.

## Summit County

The Summit County labor market improved somewhat in the third quarter 2009 compared to the second quarter. For example, in September 2009, year-over employment had fallen by 8.9 percent, a loss of 1,853

jobs. Over the twelve months ending in June 2009, the loss was 11.1 percent or 2,322 jobs.

Employment losses continue to be spread throughout most major industrial sectors with the largest employment declines occurring in construction, leisure and hospitality, trade, and administrative support services. The seasonally adjusted unemployment rate peaked in October at 6.7 percent and declined in just two months to 5.9 percent. There were about 1,285 residents unemployed as the year ended.

Taxable sales data for the third quarter of 2009 declined by 10 percent compared to the same quarter in 2008. This is better than the year-over reduction of 16 percent for second quarter 2009.

## Wasatch County

The labor market in Wasatch County deteriorated on a year-over basis during the third quarter. Jobs declined by 11.3 percent, on average, in the third quarter 2009, compared to a year-over reduction of 10.6 percent in the second quarter. The unemployment rate was 7.4 percent in December, increasing from 5.0 percent in January 2009. Initial unemployment insurance claims are indicating that further increases in the unemployment rate should be expected. Taxable sales data for the third quarter of 2009 decreased by 21 percent compared to the same quarter in 2008.

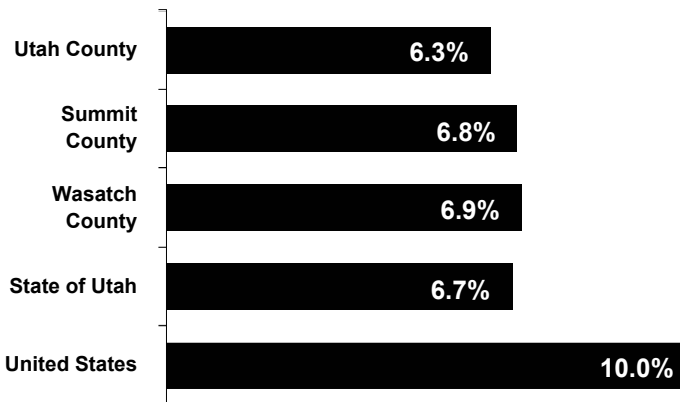
WFN

### For more info:

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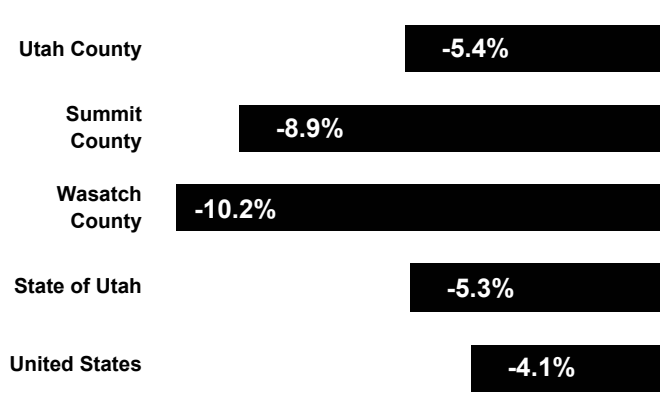
Select your county, then go to Labor Market Indicators in the right-hand margin.

**Seasonally Adjusted Unemployment Rates  
December 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

**Percent Change in Nonfarm Jobs  
September 2008 to September 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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